

Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2

Member's Benefit Estimate Worksheet

Completion of the worksheet should answer some of your questions about how your LEOFF Plan 2 retirement benefit is calculated. To assist you in completing the worksheet, we have included an example of "John Doe's" retirement calculation. The results of this retirement benefit estimate are only an estimate based on projected salary and service credit. Your actual retirement benefit may be different as it will be based on final employer reporting.

You can retire from LEOFF Plan 2 when you meet one of the following criteria:

- Age 53 with at least five years of service credit.
- Age 50 if you have at least 20 years of service credit. (Your benefit will be reduced by 3% (0.25% per month) for each year you are under the age of 53.)

Once you accumulate 10 years of service credit: If you terminate employment, you have the right to withdraw 150 percent of your contributions.

Once you accumulate 20 years of service credit: If you terminate employment before age 53 and leave your contributions with LEOFF, your future benefit will increase by 3% each year until you reach age 53, or until you begin collecting your benefit, whichever comes first.

How service credit is counted

You earn

When you

1 month of service credit	receive pay for at least 90 hours in a month*
.50 month of service credit	receive pay for at least 70 but less than 90 hours in a month*
.25 month of service credit	receive pay for at least 1 but less than 70 hours in a month*

*Includes being on paid sick leave and vacation.

Benefit Payment Options

OPTION 1 STANDARD OPTION

This option pays you a benefit for your lifetime. If you die before the total benefits you receive equal your contributions plus interest at the date of retirement, the balance will be paid in a lump sum to your named beneficiary.

OPTION 2 JOINT AND 100 PERCENT SURVIVORSHIP

Under this option, you receive a benefit that is actuarially reduced. If your designated beneficiary survives you, the benefit amount remains the same and your beneficiary continues to receive it for his or her lifetime.

OPTION 3 JOINT AND 50 PERCENT SURVIVORSHIP

This option also provides a benefit that is actuarially reduced, but the reduction is smaller than in Option 2. If your designated beneficiary survives you, 50 percent of your benefit is paid to your beneficiary for his or her lifetime.

OPTION 4 JOINT AND 66.67 PERCENT SURVIVORSHIP

This option provides a benefit that is actuarially reduced. The reduction is smaller than in Option 2, but larger than in Option 3. If your designated beneficiary survives you, 66.67 percent of your benefit is paid to your beneficiary for his or her lifetime.

LEOFF Plan 2 Benefit Estimate

<i>Member's Benefit Estimate Worksheet</i>	You	John Doe
Step 1: Determine your anticipated date of retirement.		Sept. 1, 2007
Step 2: Determine your total service credit years as of your anticipated date of retirement.		
2a. My current balance of LEOFF service credit years		20
2b. The number of years until my anticipated retirement date:		5
2c. My projected service credit years at retirement: (2a + 2b = 2c)		20 + 5 = 25
Step 3: Estimate your Final Average Salary Final average salary (FAS) is the monthly average of your 60 consecutive highest-paid service credit months. Your FAS cannot include payments for any type of severance pay, such as lump-sum payments for deferred sick leave, or annual leave.		\$4000
Step 4: Compute your Standard/Option 1 benefit. Service years x 2 percent x FAS		
4a. My projected service credit years (Step 2c) times 2%:		25 x .02 = .50
4b. My FAS (Step 3) times 4a: (result is your standard benefit)		\$4,000 x .50 = \$2,000
Step 5: Determine your Survivor option retirement benefit. Use TABLE 1 Survivor Benefit Options on page 4 to find your reduction factor. (It's based on the difference between your age and your beneficiary's age.) Calculate your survivor option benefit.		
5a. Determine the age difference between you and your beneficiary (John Doe is one year older than his beneficiary)		53 - 52 = 1 year
5b. Option 2: (Step 4b x factor) Multiply your standard option (Step 4b) by the appropriate factor. Option 3: (Step 4b x factor) Option 4: (Step 4b x factor)		\$2,000 x .865 = \$1,730 per mo. \$2,000 x .927 = \$1,742 per mo. \$2,000 x .905 = \$1,810 per mo.
NOTE: If you choose a Survivor Payment Option, and your beneficiary dies before you, your monthly benefit will be increased to a single life benefit level (Standard Option).		

LEOFF Plan 2 Benefit Estimate

Early Retirement Worksheet

Note: You must be at least age 50 and have a minimum of 20 years of service credit to be eligible for early retirement.

	You	John Doe
Step 1: Calculate your Standard Option benefit using the worksheet on page 2.		\$2000
Step 2: What will your age be when you begin collecting a benefit?		50
Step 3: Use Table 2, Early Retirement Factors, on page 4		91%
Step 4: Multiply result of Step 1 by Step 3.		$\$2000 \times .91 =$ \$1820 per month

Terminating employment after 20 years of service

Note: Once you accumulate 20 years of service, if you leave LEOFF-covered employment, your LEOFF benefit will increase by approximately 3 percent annually until you begin collecting a pension benefit or until you reach age 53. If you receive your benefit before age 53, it will be reduced for early retirement.

	You	John Doe
Step 1: Determine your standard option benefit at the time you terminate service. Use steps 1-4 on page 2.		\$2000 (John has 20 years)
Step 2: How many years after you leave service will you begin collecting a benefit. 2a. Age when you begin collecting benefit. 2b. Age at separation from service. 2c. Subtract Step 2b from Step 2a.		52 -45 7 years
Step 3: Adjust your original benefit 3a. Use Table 3 on page 4 to find the compounding factor based on the answer to Step 2c. (7 years)		1.2299
3b. Multiply your benefit by the corresponding Factor.		$1.2299 \times \$2000$ = \$2459.80
Step 4: Reductions for early retirement and/or a survivor option. <i>Use this step only if you begin collecting benefit prior to age 53 and/or select a survivor benefit option. (John retires at age 52 and takes an Option 2 Benefit.)</i> 4a. Use factors from Table 2. (page 4)		$\$2459.80 \times .97$ = \$2386.01
4b. Use Table 1, Survivor Benefit Options, on page 4 to compute final benefit amount. Beneficiary is one year younger.		Option 2 is $.865 \times \$2386.01$ = \$2063.90

LEOFF Plan 2 Benefit Estimate

Table 1: Survivor Benefit Options

	Age Difference	Option 2 100%	Option 3 50%	Option 4 66.67%
Member Younger	-20	0.953	0.976	0.968
	-19	0.950	0.974	0.966
	-18	0.947	0.973	0.964
	-17	0.944	0.971	0.962
	-16	0.940	0.969	0.959
	-15	0.937	0.967	0.957
	-14	0.933	0.965	0.954
	-13	0.929	0.963	0.952
	-12	0.925	0.961	0.949
	-11	0.921	0.959	0.946
	-10	0.917	0.957	0.943
	-9	0.913	0.954	0.940
	-8	0.908	0.952	0.937
	-7	0.904	0.949	0.934
	-6	0.899	0.947	0.930
	-5	0.894	0.944	0.927
	-4	0.890	0.942	0.924
	-3	0.885	0.939	0.920
	-2	0.880	0.936	0.916
	-1	0.875	0.933	0.913
	0	0.870	0.930	0.909
Member Older	+1	0.865	0.927	0.905
	+2	0.860	0.924	0.902
	+3	0.855	0.922	0.898
	+4	0.850	0.919	0.894
	+5	0.845	0.916	0.891
	+6	0.840	0.913	0.887
	+7	0.835	0.910	0.883
	+8	0.830	0.907	0.880
	+9	0.825	0.904	0.876
	+10	0.821	0.902	0.873
	+11	0.816	0.899	0.870
	+12	0.812	0.896	0.866
	+13	0.808	0.894	0.863
	+14	0.803	0.891	0.860
	+15	0.799	0.888	0.857
	+16	0.795	0.886	0.854
	+17	0.792	0.884	0.851
	+18	0.788	0.881	0.848
	+19	0.784	0.879	0.845
	+20	0.781	0.877	0.842
	+21	0.777	0.875	0.840
	+22	0.774	0.873	0.837
	+23	0.771	0.871	0.835
	+24	0.768	0.869	0.832
	+25	0.765	0.867	0.830
	+26	0.763	0.865	0.828
	+27	0.760	0.864	0.826
	+28	0.757	0.862	0.824
	+29	0.755	0.860	0.822
	+30	0.753	0.859	0.820

Table 2: Early Retirement factors

Your benefit is reduced by 3 percent for each year you retire prior at age 53.

Age at retirement	Benefit as a percentage of age 53 benefit
50	91%
51	94%
52	97%
53	100%

Table 3 Delayed Retirement after 20 years service

Years Delayed	Factor
1	1.03
2	1.0609
3	1.0927
4	1.1255
5	1.1593
6	1.1941
7	1.2299
8	1.2668
9	1.3048
10	1.3439
11	1.3842
12	1.4258
13	1.4685
14	1.5126
15	1.5580